

STATE OF NEW HAMPSHIRE
SITE EVALUATION COMMITTEE

DOCKET NO. 2015-01

PREFILED DIRECT TESTIMONY OF JOSEPH U. ROSE

June 26, 2015

1 **Q. Please state your name and address.**

2 A. Joseph U. Rose, 4 Memory Lane, Loudon, New Hampshire 03307

3 **Q. How are you employed?**

4 A. I am the president of the Propane Gas Association of New England, otherwise known as
5 PGANE.

6 **Q. What is PGANE?**

7 A. We are a regional trade association with over 700 members who sell propane and propane
8 products to consumers throughout the New England States.

9 **Q. How many members does PGANE have in New Hampshire?**

10 A. We have 149 members in New Hampshire.

11 **Q. How many households in New Hampshire heat with propane?**

12 A. According to the latest census 14% of New Hampshire households heat with propane as
13 their primary heat source. This makes propane the third most popular heating choice.
14 Overall nearly 300,000 New Hampshire homes and businesses rely on propane as a
15 primary fuel source.

16 **Q. Is propane use in New Hampshire growing?**

17 A. New Hampshire's propane use is up 40% in the last 5 years and is growing steadily.

18 **Q. What are some of the benefits of using propane?**

1 A. Propane is American produced fuel that is nontoxic, clean burning and environmentally
2 friendly. No greenhouse gases and no pollution exposure. It is also reasonably priced
3 and the modern heating equipment is over 95% efficient.

4 **Q. Does propane have any environmental impacts?**

5 A. None whatsoever.

6 **Q. Is propane important to rural areas of the State?**

7 A. Propane is versatile and can be installed anywhere so it is very important as an alternative
8 fuel source in rural areas that lack access to natural gas lines.

9 **Q. Does propane promote growth throughout the State?**

10 A. Yes. Propane allows homeowners and businesses to enjoy the benefits of affordable
11 energy no matter where they choose to locate in New Hampshire.

12 **Q. Does PGANE provide emergency response training to emergency personnel?**

13 A. We provide two three-day classes each year and several additional one-day classes
14 around the region for fire service and industry responders.

15 **Q. What does this training consist of?**

16 A. The training consists of classroom training using the Propane Emergencies text from the
17 Propane Education and Research Council and hands on training in leak mitigation using
18 props created by our team.

19 **Q. Has PGANE developed a propane emergency response plan for emergency
20 responders?**

21 A. Yes, and the most current version is on our website and we pass it out in paper form at
22 our classes.

1 **Q. I'm showing you a document that has been marked as JUR Exhibit 1, can you tell**
2 **me what that it?**

3 A. This is the latest version of the New England Emergency Response Plan developed, and
4 updated by our Emergency Response Committee.

5 **Q. Has SEA-3, Inc. paid you for your testimony in this matter?**

6 A. No.

7 **Q. Why have you agreed to provide your testimony to the Committee?**

8 A. Reliable and stable supply and pricing are what our customers want most. The facility at
9 SEA-3 would provide that by allowing American propane to be delivered, chilled, and
10 stored on a consistent year round basis.

11 **Q. Why is SEA-3's Newington facility so important to your members?**

12 A. Our members want the cheapest propane source for their customers and having SEA-3
13 increase its ability to receive American propane will save their customers nearly \$1 per
14 gallon.

15 **Q. Does having a refrigerated storage facility for propane here in New Hampshire**
16 **benefit propane customers?**

17 A. Stable pricing along with ample winter supply will greatly benefit our consumers.

18 **Q. Are there are any other refrigerated storage facilities for propane in New England?**

19 A. There is a second refrigerated terminal in Providence, Rhode Island.

20 **Q. Has the Providence Terminal been active over the past several years?**

21 A. The same economic disadvantage that SEA-3 has faced with propane from Africa and
22 Europe costing nearly \$1 per gallon more have made both terminals inactive over the past

1 several years. Before the pricing change brought on by the development of the American
2 shale propane supply, the two facilities provided 60% of New England's propane supply.

3 **Q. Does the Providence Terminal have railroad access?**

4 A. It does not have direct access.

5 **Q. If propane is no longer coming in to New England by ship then how are your dealers
6 getting access to it?**

7 A. All of the propane must come into New England by rail car or truck. There are no
8 pipelines in New England, the closest pipeline ends just outside Albany at Selkirk, New
9 York.

10 **Q. Since domestic propane replaced international propane, have your dealers ever had
11 trouble obtaining enough domestic propane for their customers during the winter?**

12 A. There is an abundance of domestic propane however the rail transportation system and
13 truck capacity cannot keep up during periods of peak demand such as we experienced
14 during the polar vortex or even during periods of heavy snow. We have to truck propane
15 from faraway places such as North Carolina, Kansas, and even southern Texas to meet
16 the demand.

17 **Q. If SEA-3 is able to increase its rail capacity as proposed so it could receive more
18 domestic propane, would that have any effect on the shortages your dealers have
19 experienced?**

20 A. If SEA-3 can operate at capacity again utilizing the rail transportation on a consistent
21 year round basis, that supply (23 million gallons) creates a cushion to get through
22 significant weather situations and periods of heavy demand keeping transportation costs
23 stable and providing stability of supply and pricing for New England consumers.

1 **Q. How important is it to your dealers and their customers here in New Hampshire to**
2 **have SEA-3's facility fully utilized again without delay?**

3 A. Economically this project is critical to saving New England consumers hundreds of
4 millions of dollars and providing energy supply security for unanticipated events such as
5 weather. This project has been a high priority for our industry because of these benefits
6 to consumers.

Exhibit List

JUR Exhibit 1 - Propane Emergency Response Plan